

Testimony of Stephen G. Boyden**Director****Utah School and Institutional Trust Lands Administration**

House Committee on Resources**Subcommittee on National Parks, Recreation and Public Lands**

Hearing on H.R. 4968**Federal - Utah State Trust Lands Consolidation Act of 2002****June 27, 2002**

Mr. Chairman, and members of the Subcommittee, thank you for the opportunity to testify today. My name is Stephen G. Boyden, and I am the Director of the Utah School and Institutional Trust Lands Administration, an independent state agency that manages more than 3.5 million acres of state school trust lands within Utah that are dedicated to the financial support of public education.

I encourage the Subcommittee, and Congress, to act favorably on H.R. 4968, the Federal - Utah State Trust Lands Consolidation Act of 2002. This legislation ratifies the recent agreement between the State of Utah and the Departments of the Interior and Agriculture for the exchange of approximately 243,000 acres of state and federal lands in Utah. The Agreement, when ratified, will place over 102,000 acres of state trust lands located within Utah's remarkably scenic San Rafael Swell region into federal ownership, will permit completion of federal acquisition of state trust lands within the Red Cliffs Desert Reserve in Washington County, Utah, and will eliminate state inholdings in the Manti - La Sal National Forest. In return, the State of Utah will receive federal lands with lesser environmental sensitivity but greater potential for generating revenue for Utah's public education system - the purpose for which Congress originally granted trust lands to Utah and the other western states.

Revenue from Utah school trust lands - whether from grazing, forestry, surface leasing or mineral development - is placed in the State School Fund, a permanent income-producing endowment created by Congress in the Utah Enabling Act for the support of the state's public education system. Historically, revenue from these lands has been limited, in large part because the school trust lands are largely scattered in checkerboard pattern throughout surrounding federal lands. When the United States withdraws the surrounding federal lands from multiple use status, for national parks, monuments, or wilderness study areas, the usefulness of the inheld state trust lands for economic uses such as mineral development is effectively destroyed. Likewise, state efforts to generate revenues from its lands through sale of the lands for recreational development and homesites have been viewed by federal land managers as conflicting with conservation-oriented management of the surrounding federal lands. Over the years, disputes over state school trust lands within federal conservation areas have generated significant public controversy, and often led to expensive and time-consuming litigation between the State of Utah and the United States.

In the last several years, the State of Utah and the United States have made great strides in resolving this problem through a series of legislated land exchanges. In 1998, Congress passed the Utah Schools and Land Exchange Act, Public Law 105-335. This legislation ratified a state-federal agreement that provided an exchange of hundreds of thousands of acres of school trust lands out of various national parks, monuments, forests and Indian reservations into areas that could produce revenue for Utah's schools. Then, in 2000, Congress enacted the Utah West Desert Land Exchange Act, Public Law 106-301, which exchanged over 100,000 acres of state trust land out of proposed federal wilderness in Utah's scenic West Desert for federal lands elsewhere in the region.

The hallmark of each of these exchanges was their "win-win" nature: school trust lands with significant environmental values were placed into federal ownership, while federal lands with lesser environmental values but greater potential for revenue generation were exchanged to the State, thus fulfilling the purpose of the school land grants - providing financial support for public education. Members of this Subcommittee and your staff provided great support for these exchanges, and we thank you again for all your efforts.

H.R. 4968 is the next step in this process of redrawing the land ownership map in Utah to eliminate conflicts between state and federal land management. The legislation before you would ratify the June 18, 2002 Agreement between the State of Utah and the Departments of the Interior and Agriculture. Enactment of H.R. 4968 will:

- Eliminate State Inholdings Within BLM Lands in the San Rafael Swell Region.

The San Rafael Swell is one of Utah's scenic wonders. A 900 square mile area of uplifted cliffs and deep canyons, it provides spectacular recreational opportunities for the public, contains significant cultural, historic and paleontological resources, and includes valuable wildlife habitat. Local government and conservation groups have variously proposed the San Rafael Swell for national monument status, a national conservation area, a heritage area, and federal wilderness. All agree that it is a spectacular natural resource that merits special status.

Under the Agreement, the Utah School and Institutional Trust Lands Administration (the "Trust Lands Administration") would convey approximately 102,871 acres of school trust lands within the San Rafael Swell to the Bureau of Land Management. Many of these lands are within BLM wilderness study areas (WSAs), and other lands are within areas proposed by the environmental community for wilderness designation. Conveyance of these trust lands to the United States would eliminate state-federal land management conflicts in the area, and remove the possibility that sale or development of state lands in the area could conflict with protection of the Swell's significant scenic resources.

- Provide for Federal Acquisition of Remaining State Trust Lands in the Red Cliffs Desert Reserve.

The Red Cliffs Desert Reserve in Washington County, Utah, was established in 1995 to implement a multiple-species habitat conservation plan approved by the Fish and Wildlife Service under Section 10(a) of the Endangered Species Act. The Reserve contains the highest density of critical habitat for the Mojave desert tortoise, a threatened species, in the United States, as well as providing a valuable recreational resource in what is one of the nation's fastest growing counties. Approximately 11,000 acres of Utah school trust lands were originally included within the Reserve. Prior to creation of the Reserve, most state school trust lands in the Reserve were planned for commercial and residential development to accommodate rapid urban growth occurring in the area. In the 1995 intergovernmental agreement creating the Reserve, the

Department of the Interior agreed to acquire the Utah school trust lands in the Reserve by purchase or by administrative land exchanges conducted pursuant to Section 206 of the Federal Lands Policy & Management Act of 1976. Since 1995, however, BLM has acquired only 939 acres of school trust lands in the Reserve by administrative land exchange under FLPMA. BLM's delay in acquiring school trust lands in the Reserve has caused significant financial loss to Utah's public schools, which are entitled by law to the proceeds from the lands.

The Agreement provides for the conveyance of over 6,000 acres of trust lands within the Reserve to the BLM. Certain of these lands will be conveyed to the BLM immediately, while others will be conveyed as the State receives revenues from coal lands that it is receiving in the exchange. By fixing a mechanism for the conveyance of the lands, the Agreement will eliminate the significant expenditures of staff and resources that BLM and the Trust Lands Administration are currently incurring in an effort to complete administrative land exchanges of state lands out of the Reserve. More importantly, federal acquisition of the state trust lands in the Reserve will fulfill the United States' 1995 commitment to compensate Utah's school trust for lands effectively taken by the federal designation of critical habitat for the desert tortoise.

- Eliminate State Inholdings in the Manti - La Sal National Forest.

The Trust Lands Administration will also convey approximately 2892.56 acres of trust lands located within or adjacent to the Manti - La Sal National Forest to the Department of Agriculture for inclusion in the National Forest System. Certain of these lands are located in the Wasatch Plateau area of the forest, and contain wildlife habitat, timber resources, and roadless areas. Other state lands being conveyed to USDA are located above the scenic Castle Valley area in Grand County, Utah, and were identified by local conservation groups for federal acquisition to protect forest resources and scenic vistas from the possibility of commercial development.

- Provide For An Equal Value Exchange And Protect the Public Interest.

In negotiating the Agreement, the State and the United States expended substantial effort to ensure that the lands being conveyed by the State to the United States and the federal lands being conveyed to the State were of approximately equal value. This process included careful analysis of sales of land comparable to those being conveyed, and, in the case of state lands within the Red Cliffs Desert Reserve, use of full narrative appraisals by a licensed Utah appraiser approved by the Bureau of Land Management.

Recognizing that valuation of lands associated with federal land exchanges has been of concern to members of the Subcommittee and the public, the parties also engaged a nationally - recognized independent real estate consultant to evaluate the methodologies used by the parties in valuing the lands and minerals involved in the exchange and the parties' conclusion that the lands on both sides of the exchange are of approximately equal value. The independent consultants concluded that the parties' process for determining value and their conclusion that the exchange was on an equal value basis was reasonable and supportable.

The Subcommittee should also note that the Agreement contains various provisions protecting the interests of parties that may be affected by the exchange. Valid existing rights, including the rights of existing grazing permittees, mineral lessees, and other land users will be honored by the parties to the exchange. In negotiating the exchange, the State of Utah also took care to avoid selecting federal lands containing significant environmental values that might be impacted by state acquisition, such as wilderness study area or proposed wilderness status, although some minor overlaps do exist. The Agreement also contains specific provisions for the protection of any candidate, threatened or endangered plant or animal species that may be

found on lands being acquired by the State, and contemplates the execution of a detailed Memorandum of Understanding between the Trust Lands Administration and the U.S. Fish and Wildlife Service, with consultation under Section 7 of the Endangered Species Act at that time.

- Benefit School Revenues and Local Economies.

The federal lands being acquired by Utah's school trust have been carefully chosen for their potential to permit economic development at the local level, as well as providing revenue to the permanent State School Fund. As these lands are developed, they have the potential to create new jobs and property tax revenue, which will also benefit schools both locally and statewide

In conclusion, H.R. 4968 represents another great step toward simplifying land ownership in Utah, protecting Utah's natural heritage, and adequately funding public education. I respectfully urge the Subcommittee to approve it expeditiously and without amendment.

Thank you for the opportunity to testify today.

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